

Research Update:

Taiwan Hon Chuan Enterprise Co. Ltd. Ratings Affirmed At 'twA-/twA-2'; Outlook Stable

September 27, 2022

Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on **Taiwan Hon Chuan Enterprise Co. Ltd.** The outlook on the long-term rating is stable. The ratings on Hon Chuan reflect the company's good market position and satisfactory profitability. The ratings also reflect our view that Hon Chuan will maintain its prudent financial management to sustain its debt leverage at the current level over the next two years, as reflected in a ratio of funds from operations to debt of 30%-36%. Counterbalancing these credit strengths are Hon Chuan's high customer concentration risk, narrower product lines, and exposure in some highly competitive markets.

Related Criteria & Research

Related Criteria

- General Criteria: Methodology For National And Regional Scale Credit Ratings - June 25, 2018
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- General Criteria: Methodology: Industry Risk - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology - November 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities - November 13, 2012
- General Criteria: Principles Of Credit Ratings - February 16, 2011...

Related Research

- Taiwan Ratings' Ratings Definitions – November 11, 2021

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Ratings List

Ratings Affirmed

Taiwan Hon Chuan Enterprise Co. Ltd.

Issuer Credit Rating	twA-/Stable/twA-2
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